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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/850,993	05/09/2001	Paul Estridge JR.		3491

7590 12/13/2004

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EXAMINER	
VIG, NARESH	

ART UNIT	PAPER NUMBER
3629	

DATE MAILED: 12/13/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/850,993	ESTRIDGE, PAUL	
	Examiner	Art Unit	
	Naresh Vig	3629	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *09 May 2001*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-41* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-41* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

DETAILED ACTION

Claim Rejections - 35 USC § 101

Claims 1 – 41 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

(1) whether the invention is within the technological arts; and

(2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, claims 1 - 41 only recites an abstract idea. The recited steps of merely separating private easement from public easement, licensing easement to a service provider does not apply, involve, use, or advance the technological arts since all of the recited steps can be performed in the mind of the user or by use of a pencil and

paper. These steps only constitute an idea of how to have common service from a service provider of preference.

Additionally, for a claimed invention to be statutory, the claimed invention must produce a useful, concrete, and tangible result. In the present case, the claimed invention separates private easements from public easement (i.e., repeatable) used in licensing the private easement to a service provider (i.e., useful and tangible).

Although the recited process produces a useful, concrete, and tangible result, since the claimed invention, as a whole, is not within the technological arts as explained above, claims 1 – 41 are deemed to be directed to non-statutory subject matter.

Claim Rejections - 35 USC § 103

Claims 1 – 41 are rejected under 35 U.S.C. 103(a) as being unpatentable over Modern Real Estate Practice by Galaty et al. hereinafter known as Galaty.

Regarding claim 1, applicant recites "public rights-of-way which are dedicated for roadways, curbs and sidewalks to a municipality, and by which the dedicated public rights-of-way are taken subject to these private rights." Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that easements also include utilities like cable, telephone, gas, electric, telephone etc. Also, applicant recites "passage of the Telecommunications Act of 1996, under

which regulation of the provision of common services has decreased in certain respects.... Such deregulation is intended to give consumers greater control in choosing individual service providers."

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Galaty and separate service easement from public easement to be able to negotiate with service providers to get the best deal.

As responded to earlier, Galaty teaches developing real estate. Galaty teaches establishing decision making authority regarding control over said private easements in a privately owned entity to identify and contract with various service providers (e.g. condominium association, home owners association, Planned Urban Development) [page 124];

Galaty does not explicitly teach separating private easements for the provision of common services in a developed community from dedicated public rights-of-way. However, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that in view of Telecommunication Act of 1996, it is a business choice to elect to have a single source provide plurality of services.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Galaty and provide common services to said developed community through a single source, said single source obtaining common services from one or more common services providers to the tenants.

Galaty does not explicitly teach precluding access to said private easements by governmental franchisees for providing common services. However, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made to preclude access to easement by governmental franchisees to be able make governmental franchisees submit bid for providing services.

Regarding claim 2, as responded to earlier in response to claim 1, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that a developer entity establishing in a privately owned access entity the beneficial and exclusive ownership of and control over access to common services easements within a developed community to be able to control the rights to easement for common services.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to:

acquire fee simple ownership in a parcel of real estate for developing into a community to have the ownership of the property to have the highest interest in real estate recognized by law;

transferring exclusive rights in and to common services easements within said parcel to said access entity to allow home owners association lease the easement to the service provider or preference; and

dedicating public rights-of-way for roadways, curbs, and sidewalks to a municipality, said dedicated public rights-of-way being taken by said municipality subject to said exclusive rights to have the municipality maintain the public easement

whereby said municipality has no control over common services access as a result of said dedicated public rights-of-way, and whereby common services providers having acquired rights through said municipality have no access to said community through said dedicated public rights-of-way.

Regarding claim 3, Galaty does not explicitly teach exclusive rights comprise an in gross easement and specific area easements. However, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made it is a business choice to elect how they want to give exclusive rights to meet business requirements.

Regarding claim 4, it would have been obvious to one of ordinary skills in the art at the time of invention exclusive rights comprise specific area easements, and wherein any other easements for providing common services within said developed community are restricted by declarations, covenants and restrictions governing and running with said parcel of real estate to meet the rules and regulations of the access entity.

Regarding claim 5, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that it is a business choice

to decide whether the developer wants to provide common services or outsource it to the access entity.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made wherein developer entity and said access entity are separate entities so that the developer avoid responsibility of providing common services.

Regarding claim 6, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that exclusive rights transferred by developer entity to said access entity include the right to establish infrastructure for common services on both commonly owned and privately owned areas within said community to allow the access entity to manage the development.

Regarding claim 7, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that exclusive rights transferred by developer entity to said access entity include the rights to contract with providers of common services for providing services to said community to document the expectation and commitment among both parties.

Regarding claim 8, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made to record transferring of exclusive rights with an appropriate governmental real estate records office, whereby

said common services easements appear within the chain of title of said parcel before said dedication of said public rights-of-way to record the ownership of the land with the municipal authority.

Regarding claim 9, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that it is a business choice to elect what common services they would want to have.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made that common services comprise one or more services selected from the group of services consisting of: cable services, internet services, intranet services, local telephone services, long distance telephone services, video-on-demand services, and security monitoring services to have the flexibility of providing selection of services to residents

Regarding claim 10, Galaty teaches common services comprise electricity services.

Regarding claim 11, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that step is performed pursuant to obligations arising out of a system of interrelated contractual requirements regarding the development of said community to document the expectation and commitment among both parties.

Regarding claim 12, Galaty teaches a license is a personal privilege to enter the land of another for a specific purpose. A license differs from easement in that can be terminated or cancelled by the licensor. Galaty does not teach process of obtaining a license. However, as responded to earlier in response to claims 1 – 11, it is a business choice to elect whether to separate common services from public services.

Therefore, Galaty teaches assisting a real estate developer in establishing private ownership and control of common services easements within said parcel of real estate to be developed into a community.

Galaty does not teach implementing a fee structure that encourages the owner of said private common services easements to enter into and maintain license arrangements that permit at least one licensee to utilize said private common services easements for providing common services to said community, said fee structure providing a competitive shield for establishing said licensees as single sources of common services for said community. However, it is a business choice to elect whether to license the easement for a fee or license it for free.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to charge a fee for license to generate the revenue for the home owners association.

Regarding claim 13, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that it is a business

choice to decide owner of said private common services easements is a private access entity to transfer the title of ownership to the entity.

Regarding claim 14, as responded to earlier in response to claims 12 and 13, it would have been obvious to one of ordinary skill in the art at the time the invention was made to:

acquire fee simple ownership in a parcel of real estate for developing into a community to have highest interest in real estate recognized by law;

transferring exclusive rights of common services easements in said parcel to said access entity to transfer the ownership of the land to the access entity;

dedicating public rights-of-way for roadways, curbs, and sidewalks to a municipality, said dedicated public rights-of-way being taken by said municipality subject to said exclusive rights to meet zoning requirements have the municipality maintain the public easement area,

whereby said municipality has no control over common services access as a result of said dedicated public rights-of-way, and whereby common services providers having acquired rights through said municipality have no access to said community through said dedicated public rights-of-way.

Regarding claim 15, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that it is a business

choice to have common services comprise advanced bundled services to provide choice of programs to tenants.

Regarding claim 16, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that it is a business choice to have common services comprise premium advanced bundled services to provide choice of programs to tenants.

Regarding claim 17, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that it is a business choice to have competitive shield comprise minimum access fee amounts and most favored nations status whereby said private access entity may grant licenses to other common service providers in the event said fee structure is equaled or bettered by any other common service provider to give the license to highest bidder.

Regarding claim 18, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made to have competitive shield additionally comprise a reduction in said access fee amounts when said common services comprise advanced bundled services, said reduction being relative to aggregate amounts of individualized access fees for individual services included in said common services to have a single provider provide plurality of services (e.g. ISDN for voice and data).

Regarding claim 19, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that it is a business choice to elect terms and conditions of a license. A business may elect to sublicense to other service providers to enable the licensee be the single point of service provider.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have license permits said licensee to sublicense use of said private easements to individual providers of services included in said common services to allow the licensee to be a single point of contact for the license.

Regarding claim 20, as responded to earlier in response to claims 1 – 19, Galaty teaches utilizing easements for providing common services to said community.

Galaty does not teach a process for providing common services to a developed community through a single source provider comprises entering into a license arrangement with an access entity that owns and controls common services easements on a parcel of real estate to be developed as a community, said license arrangement permitting access to and utilization of said easements wherein owners of lots within said community contract with said single source provider for the provision or coordination of said common services. However, official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that it is a business choice whether to have access agreement with service provider or use the municipal utility provider.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to license arrangement with an access entity that owns and controls common services easements on a parcel of real estate to be developed as a community, said license arrangement permitting access to and utilization of said easements to have a selection flexibility of selecting the best service provider to provide services to its tenants.

21. The process of claim 20 wherein said access entity has beneficial and exclusive ownership of and control over all access to said common services easements within said developed community.

22. The process of claim 21 wherein said beneficial and exclusive ownership of and control over said access is created by a process which comprises the steps of:

acquiring fee simple ownership in a parcel of real estate for developing into a community;

transferring exclusive rights of common services easements in said parcel to said access entity; and

dedicating public rights-of-way on said parcel for roadways, curbs, and sidewalks to a municipality, said dedicated public rights-of-way being taken by said municipality subject to said exclusive rights, whereby said municipality has no control over common services access as a result of said dedicated public rights-of-way, and whereby

common services providers having acquired rights through said municipality have no access to said community through said dedicated public rights-of-way.

Regarding claim 23, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that common services are provided to a plurality of lots in said community over fewer than three cables to avoid laying additional cables for providing additional services. (e.g. merging voice and data)

Regarding claim 24, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that it is a design choice to have cables are of a type selected from the group of cables consisting of co-axial and fiber optic cables to meet network connectivity requirements.

Regarding claim 25, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that it is a business choice to elect terms and conditions of a license. A business may elect to sublicense to other service providers to enable the licensee be the single point of service provider.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have license arrangement permits said single source provider to sublicense utilization of said easements to a plurality of individual providers

of services included in said common services to allow the licensee to be a single point of contact for the license.

Regarding claim 26, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that it is a business choice to have a service providers where service providers is a wholly owned subsidiary of said single source.

Regarding claim 27, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that it is a design choice wherein said individual providers provide said common services to said single source at a central receiving facility wherefrom said single source distributes said common services to a plurality of lots in said community to converge plurality of services and distribute in a single physical medium.

Regarding claim 28, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that it is a business choice to elect what common services they would want to have.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made that common services comprise one or more services selected from the group of services consisting of: cable services, internet services, intranet services, local telephone services, long distance telephone services, video-on-

demand services, and security monitoring services to have the flexibility of providing selection of services to residents

Regarding claim 29, Galaty teaches common services comprise electricity services.

Regarding claim 30, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that it is a business choice to have common services comprise advanced bundled services to provide choice of programs to tenants.

Regarding claim 31, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that it is a business choice to have common services comprise premium advanced bundled services to provide choice of programs to tenants.

Regarding claim 11, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that step is performed pursuant to obligations arising out of a system of interrelated contractual requirements regarding the development of said community to document the expectation and commitment among both parties.

Regarding claim 33, as responded to earlier in response to claims 1 – 32, Galaty teaches dedicating said public right-of-way to the public. Galaty does not explicitly teach separating real estate easements from land ownership. However, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that in view of Telecommunication Act of 1996 it is a business choice to separate easement from land ownership to be able to give the control of the easement to the managing entity.

Galaty teaches acquiring fee simple title in a parcel of real estate by a developer to get the highest interest in the real estate recognized by law

Galaty does not explicitly teach:

separating in gross common services easements from said fee simple title;

separating the public right-of-way from said common services easements and said fee simple title;

separating all other easements from said common services easements and from said public right-of-way and from said fee simple title;

However, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that in view of Telecommunication Act of 1996 it is a business choice to separate easement from land ownership to be able to give the control of the easement to the managing entity.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Galaty and separate easement from land ownership to be able to give the control of the easement to the managing entity.

Galaty teaches a license is a personal privilege to enter the land of another for a specific purpose. A license differs from easement in that can be terminated or cancelled by the licensor. Galaty does not teach licensing at least one of said all other easements to a privately owned company for a fee. However, it is a business choice to elect whether to license the easement for a fee or license it for free.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to charge a fee for license to generate the revenue for the home owners association.

whereby public right-of-way is dedicated subject to said transferred easements to said privately owned company thereby eliminating public control over said licensed easements and all rights to access to said parcel for providing common services.

Regarding claim 34, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that privately owned company constructing utility conduits on said parcel in accordance with said easements licensed to said company, said privately owned company sublicensing service providers for a fee to provide common services to owners of any portion of said parcel, and said privately owned company allowing said sub-licensed common services providers to use said conduits (e.g. right of way) to recover the cost of infrastructure.

Regarding claim 35, as responded to earlier in response to claims 22 and 34, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that it is a business choice to elect what common services they would want to have.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made that common services comprise one or more services selected from the group of services consisting of: cable services, internet services, intranet services, local telephone services, long distance telephone services, video-on-demand services, and security monitoring services to have the flexibility of providing selection of services to residents

Regarding claim 36, Galaty teaches utility services consisting of electricity services.

Regarding claim 37, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that it is a business choice to elect how to distribute the fees.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to and proportion fee and pass it on to said private company by said service providers to meet contract obligations.

Regarding claim 38, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that it is a business choice to elect how to distribute the fees.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to and proportion fee and pass it on to owner of privately owned company by said service providers to meet contract obligations.

Regarding claim 39, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that it is a business choice to elect how to do marketing.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to develope a market plan for selling portions of said parcel by a developer, and engaging in the training of said developer in marketing portions of said parcel to win the exclusive rights from the access entity.

Regarding claim 40, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made to contracting the construction of roads, other common infrastructure, homes on individual portions of said parcel, and the construction on said parcel and the development of said parcel to outsource the construction project.

Regarding claim 41, Official notice it taken that it would have been obvious to one of ordinary skill in the art at the time the invention was made that it is a business choice to have centralized or decentralized management.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have privately owned company manages all of said sub-licensed service providers to have centralized management.

Conclusion

Applicant is required under 37 CRF '1.111 (c) to consider the references fully when responding to this office action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Naresh Vig whose telephone number is 703.305.3372. The examiner can normally be reached on M-F 7:30 - 5:00 (Alt Friday off).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Weiss can be reached on 703.308.2702. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Naresh Vig
Patent Examiner
December 10, 2004